



HOUSE BILL No. 4237

January 31, 1995, Introduced by Reps. Willard, Mathieu, Brewer, Martinez, DeMars, Gire, Freeman, Kelly, DeHart, Harder, Baade, Wetters, Baird, Pitoniak and Jaye and referred to the Committee on Tax Policy.

A bill to amend sections 24c and 44 of Act No. 206 of the Public Acts of 1893, entitled as amended

"The general property tax act,"

as amended by Act No. 415 of the Public Acts of 1994, being sections 211.24c and 211.44 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 24c and 44 of Act No. 206 of the Public
2 Acts of 1893, as amended by Act No. 415 of the Public Acts of
3 1994, being sections 211.24c and 211.44 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 24c. (1) The assessor shall give to each owner or
6 person or persons listed on the assessment roll of the property a
7 notice by first-class mail of an increase in the assessed
8 valuation or the tentative taxable value for the year. The
9 notice shall specify each parcel of property, the assessed

1 valuation, the tentative taxable value for the current year and,
2 beginning in 1996, the taxable value for the immediately preced-
3 ing year. The notice shall also specify the time and place of
4 the meeting of the board of review. Beginning in 1996, the
5 notice shall also specify the difference between the property's
6 tentative taxable value in the current year and the property's
7 taxable value in the immediately preceding year. The notice also
8 may specify the net change in the property's assessed valuation.

9 (2) Except as provided by subsection (4), the notice shall
10 include, in addition to the information required by subsection
11 (1), all of the following:

12 (a) The state equalized valuation for the immediately pre-
13 ceding year.

14 (b) The tentative state equalized valuation for the current
15 year.

16 (c) The net change between the tentative state equalized
17 valuation for the current year and the state equalized valuation
18 for the immediately preceding year.

19 (d) The classification of the property as defined by section
20 34c.

21 (e) The inflation rate for the immediately preceding year as
22 defined in section 34d.

23 (f) A statement provided by the state tax commission
24 explaining the relationship between state equalized valuation and
25 taxable value. Beginning in 1996, if the assessor believes that
26 a transfer of ownership has occurred in the immediately preceding
27 year, the statement shall state that the ownership was

1 transferred and that the taxable value of that property is the
2 same as the state equalized valuation of that property.

3 (3) When required by the income tax act of 1967, Act No. 281
4 of the Public Acts of 1967, being sections 206.1 to 206.532 of
5 the Michigan Compiled Laws, the assessment notice shall include
6 or be accompanied by information or forms prescribed by Act
7 No. 281 of the Public Acts of 1967.

8 (4) The following apply to all assessment notices:

9 (a) If the tentative equalization multiplier is 1.0 for all
10 classes of property, the assessment notice may exclude the infor-
11 mation required by subsection (2)(b) and (c), and instead specify
12 the assessed valuation for the current year as both the assessed
13 valuation and tentative equalized valuation for the year.

14 (b) If the equalization multiplier for the immediately pre-
15 ceding year was 1.0 for all classes of property, the assessment
16 notice may exclude the information required by subsection (2)(a)
17 and instead specify the assessed valuation for the immediately
18 preceding year as both the assessed valuation and state equalized
19 valuation of the property for the immediately preceding year.

20 (5) The assessment notice shall be addressed to the owner
21 according to the records of the assessor and mailed not less than
22 10 days before the meeting of the board of review. The failure
23 to send or receive an assessment notice does not invalidate an
24 assessment roll or an assessment on that property.

25 (6) The tentative equalized valuation shall be calculated by
26 multiplying the assessment by the tentative equalized valuation
27 multiplier. If the assessor has made assessment adjustments that

1 would have changed the tentative multiplier, the assessor may
2 recalculate the multiplier for use in the notice.

3 (7) The state tax commission shall prepare a model assess-
4 ment notice form that shall be made available to local units of
5 government. BEGINNING IN 1995, THE MODEL ASSESSMENT NOTICE SHALL
6 BE CONSISTENT WITH SUBSECTIONS (8) AND (9).

7 (8) Beginning in 1995, the assessment notice under subsec-
8 tion (1) shall include the following statement:

9 "If you purchased your homestead after May 1 last
10 year, to claim the homestead exemption, if you have
11 not already done so, you are required to file an
12 affidavit before May 1."

13 (9) BEGINNING IN 1995, THE ASSESSMENT NOTICE UNDER SUBSEC-
14 TION (1) SHALL INCLUDE A STATEMENT ADVISING THE TAXPAYER THAT,
15 UNDER STATE LAW, AN ASSESSOR MAY NOT CONSIDER THE INCREASE IN
16 TAXABLE VALUE THAT IS THE RESULT OF EXPENDITURES FOR NORMAL
17 REPAIRS, REPLACEMENT, AND MAINTENANCE MADE OR COMPLETED AFTER
18 DECEMBER 30, 1976 IN DETERMINING THE TAXABLE VALUE OF PROPERTY
19 FOR ASSESSMENT PURPOSES UNTIL THE PROPERTY IS SOLD AND THAT THE
20 TAXPAYER MAY OBTAIN FROM THE ASSESSOR'S OFFICE AT NO CHARGE A
21 LIST OF REPAIRS THAT ARE CONSIDERED NORMAL MAINTENANCE. UPON
22 REQUEST, AN ASSESSOR SHALL PROVIDE TO A TAXPAYER OR TAXPAYER'S
23 DESIGNATED AGENT WITHOUT CHARGE A LIST OF THE REPAIRS THAT ARE
24 CONSIDERED UNDER SECTION 27 TO BE NORMAL MAINTENANCE IF NOT PART
25 OF A STRUCTURAL ADDITION OR COMPLETION. THE DEPARTMENT OF TREA-
26 SURY SHALL PREPARE AND PROVIDE TO AN ASSESSOR WITHOUT CHARGE A
27 LIST OF THOSE REPAIRS FOR THE PURPOSES OF THIS SUBSECTION.

1 Sec. 44. (1) Upon receipt of the tax roll, the township
2 treasurer or other collector shall proceed to collect the taxes.
3 The township treasurer or other collector shall mail to each tax-
4 payer at the taxpayer's last known address on the tax roll or to
5 the taxpayer's designated agent a statement showing the descrip-
6 tion of the property against which the tax is levied, the taxable
7 value of the property, and the amount of the tax on the
8 property. If a tax statement is mailed to the taxpayer, a tax
9 statement sent to a taxpayer's designated agent may be in a sum-
10 mary form or may be in an electronic data processing format. If
11 the tax statement information is provided to both a taxpayer and
12 the taxpayer's designated agent, the tax statement mailed to the
13 taxpayer may be identified as an informational copy. A township
14 treasurer or other collector electing to send a tax statement to
15 a taxpayer's designated agent or electing not to include an item-
16 ization in the manner described in subsection ~~(9)(c)~~ (10)(C) in
17 a tax statement mailed to the taxpayer shall, upon request, mail
18 a detailed copy of the tax statement, including an itemization of
19 the amount of tax in the manner described by subsection ~~(9)(c)~~
20 (10)(C), to the taxpayer without charge, as previously required
21 by this section.

22 (2) The expense of preparing and mailing the statement shall
23 be paid from the county, township, city, or village funds.
24 Failure to send or receive the notice does not prejudice the
25 right to collect or enforce the payment of the tax. The township
26 treasurer shall remain in the office of the township treasurer at
27 some convenient place in the township on each Friday in the month

1 of December, from 9 a.m. to 5 p.m. to receive taxes, but shall
2 receive taxes upon a weekday when they are offered. However, if
3 a Friday in the month of December is Christmas eve, Christmas
4 day, New Year's eve, or a day designated by the township as a
5 holiday for township employees, the township treasurer shall not
6 be required to remain in the office of the township treasurer on
7 that Friday, but shall remain in the office of the township trea-
8 surer at some convenient place in the township from 9 a.m. to 5
9 p.m. on the day most immediately preceding that Friday that is
10 not Christmas eve, Christmas day, New Year's eve, or a day desig-
11 nated by the township as a holiday for township employees, to
12 receive taxes.

13 (3) Except as provided by subsection (7), on a sum volun-
14 tarily paid before February 15 of the succeeding year, the local
15 property tax collecting unit shall add 1% for a property tax
16 administration fee. However, unless otherwise provided for by an
17 agreement between the assessing unit and the collecting unit, if
18 a local property tax collecting unit other than a village does
19 not also serve as the local assessing unit, the excess of the
20 amount of property tax administration fees over the expense to
21 the local property tax collecting unit in collecting the taxes,
22 but not less than 80% of the fee imposed, shall be returned to
23 the local assessing unit. A property tax administration fee is
24 defined as a fee to offset costs incurred by a collecting unit in
25 assessing property values, collecting the property tax levies,
26 and in the review and appeal processes. The costs of any
27 appeals, in excess of funds available from the property tax

1 administration fee, may be shared by any taxing unit only if
2 approved by the governing body of the taxing unit. Except as
3 provided by subsection (7), on all taxes paid after February 14
4 and before March 1 the governing body of a city or township may
5 authorize the treasurer to add to the tax a property tax adminis-
6 tration fee to the extent imposed on taxes paid before February
7 15 and a late penalty charge equal to 3% of the tax. ~~Interest~~
8 THE GOVERNING BODY OF A CITY OR TOWNSHIP MAY WAIVE INTEREST from
9 February 15 to the last day of February on a summer property tax
10 that has been deferred under section 51 or any late penalty
11 charge ~~may be waived by the governing body of a city or~~
12 ~~township~~ for the homestead property of a senior citizen, para-
13 plegic, quadriplegic, hemiplegic, eligible serviceperson, eligi-
14 ble veteran, eligible widow or widower, totally and permanently
15 disabled person, or blind person, as those persons are defined in
16 chapter 9 of the income tax act of 1967, Act No. 281 of the
17 Public Acts of 1967, ~~as amended,~~ being sections 206.501 to
18 206.532 of the Michigan Compiled Laws, if the person makes a
19 claim before February 15 for a credit for that property provided
20 by chapter 9 of Act No. 281 of the Public Acts of 1967, ~~as~~
21 ~~amended,~~ if the person presents a copy of the form filed for
22 that credit to the local treasurer, and if the person has not
23 received the credit before February 15. ~~Interest~~ THE GOVERNING
24 BODY OF A CITY OR TOWNSHIP MAY WAIVE INTEREST from February 15 to
25 the last day of February on a summer property tax deferred under
26 section 51 or any late penalty charge ~~may be waived by the~~
27 ~~governing body of a city or township~~ for a person's property

1 that is subject to a farmland development rights agreement
2 recorded with the register of deeds of the county in which the
3 property is situated as provided in section 5 of the farmland and
4 open space preservation act, Act No. 116 of the Public Acts of
5 1974, being section 554.705 of the Michigan Compiled Laws, if the
6 person presents a copy of the development rights agreement or
7 verification that the property is subject to a development rights
8 agreement before February 15. A 4% county property tax adminis-
9 tration fee, a property tax administration fee to the extent
10 imposed on and if authorized under subsection (7) for taxes paid
11 before March 1, and interest on the tax at the rate of 1% per
12 month shall be added to taxes collected by the township or city
13 treasurer after the last day of February and before settlement
14 with the county treasurer, and the payment shall be treated as
15 though collected by the county treasurer. If the statements
16 required to be mailed by this section are not mailed before
17 December 31, the treasurer shall not impose a late penalty charge
18 ~~with respect to~~ ON taxes collected after February 14.

19 (4) The governing body of a local property tax collecting
20 unit may waive all or part of the property tax administration fee
21 or the late penalty charge, or both. A property tax administra-
22 tion fee collected by the township treasurer shall be used only
23 for the purposes for which it may collected as specified by sub-
24 section (3) and this subsection. If the bond of the treasurer,
25 as provided in section 43, is furnished by a surety company, the
26 cost of the bond may be paid by the township from the property
27 tax administration fee.

1 (5) If apprehensive of the loss of personal tax assessed
2 upon the roll, the township treasurer may enforce collection of
3 the tax at any time, and if compelled to seize property or bring
4 an action in December may add, if authorized under
5 subsection (7), 1% for a property tax administration fee and 3%
6 for a late penalty charge.

7 (6) Along with taxes returned delinquent to a county trea-
8 surer under section 55, the amount of the 1% property tax admin-
9 istration fee prescribed by subsection (3) that is imposed and
10 not paid shall be included in the return of delinquent taxes and,
11 when delinquent taxes are distributed by the county treasurer
12 under this act, the delinquent 1% property tax administration fee
13 shall be distributed to the treasurer of the local unit who
14 transmitted the statement of taxes returned as delinquent.
15 Interest imposed upon delinquent property taxes under this act
16 shall also be imposed upon the 1% property tax administration fee
17 and, for purposes of this act other than to which local unit the
18 county treasurer shall distribute a delinquent 1% property tax
19 administration fee, any reference to delinquent taxes shall be
20 considered to include the 1% property tax administration fee
21 returned as delinquent for the same property.

22 (7) The local property tax collecting treasurer shall not
23 impose a property tax administration fee, collection fee, or any
24 type of late penalty charge authorized by law or charter unless
25 the governing body of the local property tax collecting unit
26 approves, by resolution or ordinance adopted after
27 December 31, 1982, an authorization for the imposition of a

1 property tax administration fee, collection fee, or any type of
2 late penalty charge provided for by this section or by charter,
3 which authorization shall be valid for all levies that become a
4 lien after the resolution or ordinance is adopted. However,
5 unless otherwise provided for by an agreement between the assess-
6 ing unit and the collecting unit, a local property tax collecting
7 unit that does not also serve as the assessing unit shall impose
8 a property tax administration fee on each parcel at a rate equal
9 to the rate of the fee imposed for city or township taxes on that
10 parcel.

11 (8) The annual statement required by Act No. 125 of the
12 Public Acts of 1966, being sections 565.161 to 565.164 of the
13 Michigan Compiled Laws, or a monthly billing form or mortgagor
14 passbook provided instead of that annual statement shall include
15 a statement to the effect that a taxpayer who ~~has~~ WAS not
16 ~~been~~ mailed the tax statement or a copy of the tax statement by
17 the township treasurer or other collector shall receive, upon
18 request and without charge, a copy of the tax statement from the
19 township treasurer or other collector or, if the tax statement
20 has been mailed to the taxpayer's designated agent, from either
21 the taxpayer's designated agent or the township treasurer or
22 other collector. A designated agent who is subject to Act
23 No. 125 of the Public Acts of 1966 and who ~~has been~~ WAS mailed
24 the tax statement for taxes that became a lien in the calendar
25 year immediately preceding the year in which the annual statement
26 may be required to be furnished shall mail, upon ~~the~~ request
27 ~~of~~ and without charge to a taxpayer who ~~has~~ WAS not ~~been~~

1 mailed that tax statement or a copy of that tax statement, a copy
2 of that tax statement. ~~to that taxpayer.~~

3 (9) BEGINNING IN 1995, A TAX STATEMENT MAILED TO A TAXPAYER
4 UNDER SUBSECTION (1) SHALL INCLUDE A STATEMENT ADVISING THE TAX-
5 PAYER THAT, UNDER STATE LAW, AN ASSESSOR MAY NOT CONSIDER THE
6 INCREASE IN TRUE CASH VALUE THAT IS THE RESULT OF EXPENDITURES
7 FOR NORMAL REPAIRS, REPLACEMENT, AND MAINTENANCE MADE OR COM-
8 PLETED AFTER DECEMBER 30, 1976 IN DETERMINING THE TRUE CASH VALUE
9 OF PROPERTY FOR ASSESSMENT PURPOSES UNTIL THE PROPERTY IS SOLD
10 AND THAT THE TAXPAYER MAY OBTAIN FROM THE ASSESSOR'S OFFICE AT NO
11 CHARGE A LIST OF REPAIRS THAT ARE CONSIDERED NORMAL MAINTENANCE.
12 UPON REQUEST, AN ASSESSOR SHALL PROVIDE TO A TAXPAYER OR
13 TAXPAYER'S DESIGNATED AGENT WITHOUT CHARGE A LIST OF THE REPAIRS
14 THAT ARE CONSIDERED UNDER SECTION 27 TO BE NORMAL MAINTENANCE IF
15 NOT PART OF A STRUCTURAL ADDITION OR COMPLETION. THE DEPARTMENT
16 OF TREASURY SHALL PREPARE AND PROVIDE TO AN ASSESSOR WITHOUT
17 CHARGE A LIST OF THOSE REPAIRS FOR THE PURPOSES OF THIS
18 SUBSECTION.

19 (10) ~~-(9)-~~ As used in this section:

20 (a) "Designated agent" means an individual, partnership,
21 association, corporation, receiver, estate, trust, or other legal
22 entity that has entered into an escrow account agreement or other
23 agreement with the taxpayer that obligates that individual or
24 legal entity to pay the property taxes for the taxpayer or, if an
25 agreement has not been entered into, that ~~has been~~ WAS desig-
26 nated by the taxpayer on a form made available to the taxpayer by
27 the township treasurer and filed with that treasurer. The

1 designation by the taxpayer shall remain in effect until revoked
2 by the taxpayer in a writing filed with the township treasurer.
3 The form made available by the township treasurer shall include a
4 statement that submission of the form allows the treasurer to
5 mail the tax statement to the designated agent instead of to the
6 taxpayer and a statement notifying the taxpayer of his or her
7 right to revoke the designation by a writing filed with the town-
8 ship treasurer.

9 (b) "Taxpayer" means the owner of the property ~~upon~~ ON
10 which the tax is imposed.

11 (c) When describing in subsection (1) that the amount of tax
12 on the property must be shown in the tax statement, "amount of
13 tax" means an itemization by dollar amount of each of the several
14 ad valorem property taxes and special assessments that a person
15 may pay under section 53 and an itemization by millage rate, on
16 either the tax statement or a separate form accompanying the tax
17 statement, of each of the several ad valorem property taxes that
18 a person may pay under section 53. The township treasurer or
19 other collector may replace the itemization described in this
20 subdivision with a statement informing the taxpayer that the
21 itemization of the dollar amount and millage rate of the taxes is
22 available without charge from the local property tax collecting
23 unit.